

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky No. 10-40648-NCD
Ch. 7 Bky

Home Valu, Inc.

Debtor.

NOTICE OF HEARING AND APPLICATION OF ACCOUNTANT
FOR TRUSTEE FOR ALLOWANCE OF COMPENSATION
AND REIMBURSEMENT OF COSTS AND EXPENSES

TO: The Honorable Nancy C. Dreher, United States Bankruptcy Judge; United States Trustee; Debtors' Attorney; and other parties in interest.

Timothy D. Moratzka ("Trustee"), as and for the Trustee, respectfully applies to the Court for an Order allowing and authorizing the payment of fees and expenses of accountant pursuant to 11 U.S.C. §331 and, in support thereof, states the following:

1. The petition commencing an involuntary Chapter 7 case was filed on January 29, 2010. An order for relief was entered on February 3, 2010. The case is now pending in this Court.

2. The application to employ Lurie, Besikof Lapidus & Company, LLP ("Accountant"), Exhibit "A", was filed on September 23, 2010, as accountant for Trustee.

3. The Court will hold a hearing on this application at 11:00 a.m. on March 30, 2011, before the , Honorable Nancy C. Dreher in Courtroom 7 West, U.S. Courthouse, 300 South Fourth Street, Minneapolis, Minnesota., or as soon thereafter as counsel can be heard.

4. Any response to this application must be filed and delivered not later than March 25, 2011, which is five (5) days before the date set for the hearing (including Saturdays, Sundays and holidays). **UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY**

SERVED AND FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

5. The Court has jurisdiction over this application pursuant to 28 U.S.C. §§ 157 and 1334, Bankruptcy Rule 5005, and Local Rule 1070-1. The application is filed pursuant to Local Rule 2016-1 and arises under 11 U.S.C. §§ 330 and 331. Trustee requests an order allowing and authorizing payment of compensation for professional services rendered and reimbursement of expenses incurred on behalf of the trustee. This is a core proceeding. This case is now pending in this Court.

6. In connection with these proceedings, the Accountant has performed services for Trustee in connection with year-end accounting and preparation of all related Federal and several State corporate income tax returns for the year ended December 31, 2009. An itemization of the services rendered which identifies specifically the services rendered is fully set forth in Exhibit “B”.

7. The services rendered by the Accountant were necessary in the preparation of the 2009 Federal tax returns and several State tax returns.

8. All of these services were necessary for the adequate representation of Trustee and performance of Trustee’s statutory duties. The rates and charges for the Accountant and rendering services in this case are the usual and customary hourly rates, and are comparable to the rates charged by other accounting firms in this community with similar experience and expertise.

9. The Accountant has no agreement or understanding with any person for the sharing of compensation received or to be received for services rendered in this proceeding on behalf of Debtor.

10. Trustee believes that the fair and reasonable value of the services rendered by

Accountant for Trustee is \$12,000, on account of which the Accountant has received no payment. Trustee requests that the Court enters an Order allowing compensation in the amount set forth above, and authorizing Trustee to pay such sums.

11. The estate consists of cash in the hands of the Trustee exceeding \$559,000 as of March 3, 2011.

WHEREFORE, Trustee respectfully requests that the Court enter an Order allowing compensation to the Accountant in the amount of \$12,000 for the preparation of 2009 tax returns. Further, Trustee requests that the Court enters an Order permitting Trustee to pay such compensation to the Accountant.

DATED: March 7, 2011

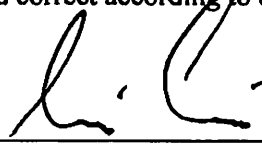
MACKALL, CROUNSE & MOORE

By /e/Timothy D. Moratzka

Timothy D. Moratzka
Attorney Lic. No. 75036
Attorneys for Trustee
1400 AT&T Tower
901 Marquette Avenue
Minneapolis, MN 55402
(612) 305-1400

VERIFICATION I, Neri N. Lapidus, of Lurie, Besikof Lapidus & Company, LLP, named in the foregoing Application for Allowance of Fees and Expenses, declare under penalty of perjury that the foregoing is true and correct according to the best of my knowledge, information and belief.

Executed on: 3.7.11

Signed: 

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. Case No. 10-40648-NCD
Chapter 7

HOME VALU, INC.

Debtor

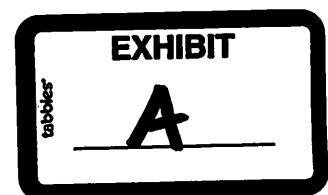
APPLICATION FOR APPROVAL OF EMPLOYMENT OF ACCOUNTANT

1. Applicant is the Trustee in this case.
2. Applicant believes that the employment of an Accountant is necessary to represent or assist Trustee in carrying out the Trustee's duties as follows:
 - Prepare 2009 Federal and state tax returns for Minnesota, Iowa, Indiana, and Wisconsin for the year ended December 31, 2009.
3. Lurie Besikof Lapidus & Company, LLP, and 2501 Wayzata Boulevard, Minneapolis, Minnesota, qualified by reason of practice and experience to render such representation or assistance.
4. The compensation will be: \$10,000 - \$12,000.00.
5. Accountant in charge will be Howard Wilensky.
6. Said professional has disclosed to the undersigned that they have the following connections with the Debtor(s), creditors, or any other party-in-interest: Lurie Besikof Laidus & Company, LLP were the accountants for the Debtor pre-bankruptcy.
7. The Trustee has made the following efforts to recover the asset prior to submitting this Application (to be completed where the Trustee is hiring an attorney): N/A

WHEREFORE, applicant prays that the Court approve such employment by the Trustee.

DATED: September 23, 2010

By: /s/Timothy D. Moratzka
Timothy D. Moratzka, #75036
1400 AT&T Tower
901 Marquette Avenue
Minneapolis, MN 55402
(612) 305-1400



UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. Case No. 10-40648-NCD
Chapter 7

HOME VALU, INC.

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VERIFIED STATEMENT OF NEIL LAPIDUS

Neil Lapidus states as follows:

1. That I am a duly licensed certified public accountant authorized to practice in the State of Minnesota.
2. That I am a partner with Lurie Besikof Lapidus & Company.
3. That I have disclosed to the Chapter 7 Trustee herein, that I have no connections with the Debtor, the United States Trustee or any person employed in the office of the United States Trustee, the Trustee or any employee of Trustee, except: Lurie Besikof Lapidus & Company, LLP, were the Debtor's accountants prior to bankruptcy.

Dated: September 15, 2010



Neil Lapidus

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re:

Bky. Case No. 10-40648-NCD
Chapter 7

HOME VALU, INC.

Debtor.

ORDER

The Trustee's application to approve employment of Lurie Besikof Lapidus & Company, LLP as accountants for the bankruptcy estate came before the court. Based on the application, the recommendation of the United States Trustee and 11 United States Code § 327,

IT IS ORDERED: The employment is hereby approved.

DATED: October 26, 2010.

/e/ Nancy C. Dreher

CHIEF UNITED STATES BANKRUPTCY JUDGE

NOTICE OF ELECTRONIC ENTRY AND FILING ORDER OR JUDGMENT Filed and Docket Entry made on 10/26/2010 Lori Vosejpka, Clerk, by KK

Lurie Besikof Lapidus —
& Company, LLP

Statement Date: 2/24/2011
Client No: 33181.201

Home Valu, Inc. Bankruptcy
c/o Timothy Moratzka, Trustee
Mackall, Crounse & Moore, PLC
1400 AT&T Tower, 901 Marquette Avenue
Minneapolis, MN 55402

Please return top portion with remittance.

Amount Enclosed: \$ _____

33181.201

Home Valu, Inc. Bankruptcy

Invoice	Date	Description	Charge	Credit	Balance
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Opening Balance As Of 1/24/2011

225723	12/25/2010	Prior Invoice	12,000.00		12,000.00
			Current Balance	\$	12,000.00

Mackall, Crounse & Moore

MAR 01 2011

Received

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
0.00	0.00	12,000.00	0.00	0.00	\$ 12,000.00

Lurie Besikof Lapidus —
& Company, LLP

phone 612.377.4404
fax 612.377.1325
2501 Wayzata Boulevard
Minneapolis, MN 55405

Payment is due upon receipt. If you should have any questions regarding your bill, please contact our accounting department at 612.377.4404. Also, we invite you to visit our website at www.lblco.com for a glance at **What's New**.

A SERVICE CHARGE OF ONE AND ONE-HALF PERCENT (1½%) PER MONTH WILL BE ADDED TO ALL ACCOUNTS RECEIVABLE REMAINING UNPAID TWO MONTHS AFTER THE ORIGINAL DUE DATE.

EXHIBIT

B

Home Valu, Inc.
Lurie Besikof Lapidus Company, LLP
Billing Detail - 12/31/09 Tax Return

	A	B	C	D	E	F	G
	Eng	Date	Employee	Service	Memo	Hours	Fees
1	201	8/23/2010	Fischer	01163	meeting with HLW and NNL about doing return and look through return to see what is needed	1.50	415.50
2	201	8/24/2010	Fischer	01163	engagement letter	0.50	138.50
3	201	8/27/2010	Fischer	01163	assist HLW with open items and schedules to prep tax return	0.50	138.50
4	201	8/27/2010	Wilensky	01163	data request to bankruptcy trustee with schedules	2.00	660.00
5	201	8/30/2010	Wilensky	01102	Gerry Boschwitz on info request	0.25	82.50
6	201	9/8/2010	Wilensky	01147	Revised Engagement Letter	0.25	82.50
7	201	9/13/2010	Fischer	01147	receive information, discuss with HLW, convert information to readable excel, try to tie retained earnings and S/H loans, discuss further with HLW, look through other information	2.50	692.50
8	201	9/13/2010	Wilensky	01147	received information from Tom Boschwitz, discussions with Tom Boschwitz, review TB/Retained Earnings.	1.25	412.50
9	201	9/14/2010	Doerr	01148	2009 return prep	0.50	104.50
10	201	9/14/2010	Wilensky	01163	E-mail Tom and Loraine on trial balance info sent over yesterday. Retained earnings is off materially from the prior year. E-mailed that we will not be able to complete the return by tomorrow (assuming we get corrected info). Follow up discussions with Tom on the differences; Tom conferenced in Larry Soukup. The 12/08 trial balance appears to match the tax return there appears to be a problem with closing and/or fiscal periods.	1.50	495.00
11	201	9/15/2010	Wilensky	01163	Penalties for return being delinquent	0.25	82.50
12	201	9/16/2010	Wilensky	01063	Add various correspondence to file.	0.25	82.50
13	201	9/28/2010	Pickar	01163	KJF re: fringe benefits	0.20	55.40
14	201	9/30/2010	Wilensky	01163	info status	0.25	82.50
15	201	10/1/2010	Doerr	01148	2009 prep, TB into CW, overall look at the file. discussions with KJF	1.25	261.25
16	201	10/1/2010	Fischer	01147	2009 discuss trial balance with HLW and client, make changes to spreadsheet and put into prep and find preparer	1.50	415.50
17	201	10/1/2010	Fischer	01163	help preparer	0.50	138.50
18	201	10/1/2010	Wilensky	01163	Resolve TB issue with Gerry Boschwitz.	2.00	660.00
19	201	10/1/2010	Wilensky	01163	E-mail to Gerry and Tom Boschwitz with details of the retained earnings difference.	1.25	412.50
20	201	10/4/2010	Doerr	01148	2009 prep, recording AJEs	1.60	334.40
21	201	10/15/2010	Doerr	01163	2009 compiling information related to the loans per instruction by KJF.	1.00	209.00
22	201	10/26/2010	Wilensky	01163		0.25	82.50

Home Valu, Inc.
Lurie Besikof Lapidus Company, LLP
Billing Detail - 12/31/09 Tax Return

	Eng	Date	Employee	Service	Memo	Hours	Fees
23	201	10/28/2010	Doerr	00346	2010 preparing a schedule of loans from shareholders	0.85	177.65
24	201	10/29/2010	Wilensky	01063		0.25	82.50
25	201	11/3/2010	Doerr	00763	2009 Updating Spreadsheet for KJF	0.35	76.65
26	201	11/8/2010	Wilensky	01163	trial balance	0.50	165.00
27	201	11/10/2010	Wilensky	01163	info follow up with Gerry B	0.25	82.50
28	201	11/22/2010	Fischer	01163	discuss with HLW and phone call from client	0.50	138.50
29	201	11/23/2010	Wilensky	01163	lb/loans	1.00	330.00
30	201	11/23/2010	Fischer	01163	on phone with client and HLW and discuss with HLW and discuss with preparer	0.70	193.90
31	201	11/26/2010	Wilensky	01163	Convert revised TB to Excel.	1.00	330.00
32	201	12/1/2010	Wilensky	01163	New trial balance	0.20	66.00
33	201	12/1/2010	Fischer	01163	update TB spreadsheet and determine if ties to Prior year	1.00	277.00
34	201	12/8/2010	Doerr	01148	2009 return prep, issues with trial balance prep and import into CW. 2nd trial balance we received	4.50	940.50
35	201	12/8/2010	Fischer	01163	meeting with HLW	0.40	110.80
36	201	12/7/2010	Fischer	01163	discuss open items with HLW and staff	0.50	138.50
37	201	12/7/2010	Doerr	00548	2010 issues with fixed assets caused some trouble	5.50	1,149.50
38	201	12/8/2010	Fischer	01163	look at depreciation and discuss with preparer and HLW	2.00	554.00
39	201	12/8/2010	Wilensky	01163	Bluemound, shaden sales, follow up with G. Boschwitz (proceeds were for inventory virtually nothing for fixed assets)	3.25	1,072.50
40	201	12/8/2010	Doerr	00301	meetings with KJF & HLW on fixed assets	0.75	156.75
41	201	12/8/2010	Doerr	00346	2009 work related to figuring out issues with fixed assets	2.50	522.50
42	201	12/9/2010	Doerr	00346	2009 fixed asset ajcs and meetings	5.00	1,045.00
43	201	12/9/2010	Brauer	01153	2009 conference with Howard and Erik re sale of two locations	1.75	577.50
44	201	12/13/2010	Doerr	01148	2009 clearing review notes, walking through prep with KJF	3.00	627.00
45	201	12/10/2010	Doerr	01163	2009 fixed assets issue resolution, inputting the remaining portion of the return, to review	5.50	1,149.50
46	201	12/14/2010	Doerr	01163	2009 answering questions for KJF and clearing review points.	2.00	418.00
47	201	12/13/2010	Fischer	01153	2009 review	4.00	1,108.00
48	201	12/14/2010	Fischer	01153	2009 review and make changes	4.00	1,108.00
49	201	12/13/2010	Wilensky	01163	preparer questions	1.00	330.00
50	201	12/14/2010	Wilensky	01163	prepare questions	0.75	247.50

Home Valu, Inc.
Lurie Besikof Lapidus Company, LLP
Billing Detail - 12/31/09 Tax Return

	Eng	Date	Employee	Service	Memo	Hours	Fees
51	201	12/13/2010	Brauer	01163	2009 sale of assets	0.75	247.50
52	201	12/15/2010	Wilensky	01163		0.75	247.50
53	201	12/16/2010	Lapidus	00754	review & sig review	1.50	591.00
54	201	12/15/2010	Lapidus	00759	with gerry b re tax prep & return	1.50	591.00
55	201	12/15/2010	Brauer	01154	2009	2.00	660.00
56	201	12/15/2010	Fischer	01153	discuss return with sig reviewer, make changes to addressee	1.50	415.50
57	201	12/17/2010	Fischer	01163	discuss with HLW	0.30	83.10
58	201	12/20/2010	Wilensky	01163	supervision	1.00	330.00
59	201	12/25/2010	Expenses	09913		0.00	197.00
60						83.35	22,576.40
61					Adjustment & unallowables		-10,576.40
62					Fee quote		12,000.00

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky No. 10-40648-NCD

Ch. 7 Bky

Home Valu, Inc.

Debtor.

UNSWORN DECLARATION
FOR PROOF OF SERVICE

I, Jinah E. Finnes, working at Mackall, Crounse & Moore, attorneys licensed to practice law in this court, with office address of 1400 AT&T Tower, 901 Marquette Avenue, Minneapolis, MN 55402-2859, declare that on the date set forth below I electronically filed with the Court the:

**Notice of Hearing and Application of Attorneys for Trustee for Allowance of
Compensation and Reimbursement of Costs and Expenses**

with it being served upon the entities list through the Court's ECF system:

- David E Albright dalbright@frontiernet.net
- Daniel A. Beckman dbeckman@gislason.com
- Mychal A. Bruggeman mab@mcmlaw.com,
ldj@mcmlaw.com;mcm_trustee@mcmlaw.com;jef@mcmlaw.com
- William G. Cottrell becca@cottrelllawfirm.com, bill@cottrelllawfirm.com
- David B Galle dgalle@oppenheimer.com
- Michael D Gordon mgordon@briggs.com
- WESLEY B HUISINGA wbh@shuttleworthlaw.com
- Max C Heerman mheerman@briggs.com
- Kathryn N Hibbard KHibbard@GreeneEspel.com, JOnsgard@GreeneEspel.com
- David Jon Hoiland Hoilandesq@aol.com, vmailer@e-lawfirm.com
- Linda J. Jungers bankruptcy@szjlaw.com
- Thomas R Kelley tkelley@tn-law.com
- Colin Kreuziger Colin.Kreuziger@usdoj.gov
- Andrew M Luger aluger@gr-espel.com
- Gary K Luloff gluloff@chestnutcambronne.com, dproulx@chestnutcambronne.com
- John R. McDonald jmcDonald@briggs.com, mJacobson@briggs.com
- Ralph Mitchell rmitchell@laplibra.com, jpipp@laplibra.com
- Timothy D Moratzka mcm_trustee@mcmlaw.com,
tmoratzka@ecf.epiqsystems.com;ldj@mcmlaw.com
- Timothy D. Moratzka tdm@mcmlaw.com, ldj@mcmlaw.com;jef@mcmlaw.com
- Douglas W. Murch dmurch@conmylaw.com, ebergman@conmylaw.com
- David A. Orenstein david.orenstein@btlaw.com, dee.bean@btlaw.com
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- Jeffrey D. Smith jsmith@lindquist.com, ddavis@lindquist.com
- US Trustee ustpregion12.mn.ecf@usdoj.gov
- John W. Ursu jursu@gr-espel.com, smh@gr-espel.com;lrb@gr-espel.com
- Marilyn J Washburn MN_bank@riezmanberger.com;riezmanberger@gmail.com
- Sarah J Wencil Sarah.J.Wencil@usdoj.gov

I further certify that I caused a copy of the foregoing documents and the notice of electronic filing to be mailed by first class mail, postage paid, to the following non-ECF participants:

John R Honadel
Wipfli LLP
2 Copeland Av. #301
LaCrosse, WI 54603

IBM Credit LLC
Special Handling Group
4111 Northside Pkwy
Atlanta, Ga 30327

Irvin Kahn & Son Inc
I Marshall Kahn
Po Box 6248
Louisville, KY 40206

Lurie Besikof Lapidus & Co
2501 Wayzata Boulevard
Minneapolis, MN 55405

Colin Ryan
NAI Welsh Companies
4350 Baker Rd, Ste 400
Minnetonka, MN 55343

Shuttleworth & Ingersoll PLC
115 Third St SE, Ste 500
PO box 2107
Cedar Rapids, IA 52406-2107

Dated: March 7, 2011

Signed: /e/ Jinah E. Finnes

1359996.1-TDM

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Bky No. 10-40648-NCD
Ch. 7 Bky

Home Valu, Inc.

Debtor.

ORDER ALLOWING FEES AND EXPENSES FOR ACCOUNTANT FOR TRUSTEE

This matter came before the court on the Application of Accountant for Trustee for Allowance of Compensation and Reimbursement of Costs and Expenses.

Being determined that the services rendered and expenses incurred on behalf of the Trustee were reasonable and necessary,

IT IS ORDERED:

1. The application of Lurie, Besikof Lapidus & Company, LLP for fees in the amount of \$12,000 for services rendered for the preparation of the 2009 State and Federal tax returns.

2. The Trustee is allowed to pay \$12,000.00 for fees when funds become available.

Dated: _____

The Honorable Nancy C. Dreher
United States Bankruptcy Judge